

Americans from all walks of life—and both political parties—are worried about something else in the budget. They don't understand why charitable organizations and the people they serve should suffer in order to pay for new or expanded Government programs. Yet in an attempt to pay for all of its spending proposals, the Obama budget reduces the deductions for charitable donations.

At a time of economic distress, when more people than ever depend on these organizations, the administration's budget reduces the incentive for people to donate to them. This will affect donations everywhere, from the Salvation Army to the Juvenile Diabetes Research Association, to educational nonprofits such as universities and art museums. According to one study, this proposal can lead to \$9 billion less in charitable giving each year.

The proposal on charitable giving appears to follow the European model, where people rely on the state to support cultural institutions. In Europe, people rely on the State to support cultural institutions, but nonprofits across our country are mobilizing against the idea and for good reason: people who give money to these institutions should not be penalized for it, and charities and nonprofits themselves certainly should not be expected to subsidize the administration's policy dreams.

These are hard times. Why make them even harder? That is the question a lot of people who have seen this budget are beginning to ask. They are looking at the highest tax increase ever, higher taxes on small business, a proposal that would divert billions of dollars away from the Nation's charities, and a light-switch tax that will touch every single American, and they see a lot more hardship. These tax hikes are precisely the wrong prescription at a time of already serious economic distress.

The budget plan has a number of fatal flaws. But in the midst of a financial crisis, American workers don't need another reason to fear they will lose their jobs, small business owners shouldn't be further discouraged from investing, and the Nation's charities should not have to fear that even less money will come in. This budget doesn't just spend and borrow too much, it taxes too much.

AIG BONUSES

Mr. MCCONNELL. Mr. President, regarding the AIG bonuses, it is hard to overstate the outrage that I and others experienced over the weekend to learn that AIG, which already has received nearly \$175 billion from the American taxpayer, is planning to hand out \$165 million in bonuses to its employees. This is absolutely appalling, and it is particularly disturbing given the fact that I sent a letter to Secretary Paulson more than 5 months ago insisting that if taxpayers were going to

help private businesses, then the Treasury would need to use its "full enforcement powers to prevent any misuse of taxpayer funds."

The administration needs to get the message from the taxpayers on this issue. Going forward, the American people need to have complete certainty that taxpayer money is not wasted in this particular manner again. It is my hope the administration will continue to press AIG on these bonuses and that it will pursue any and all lawful means of recovering these payments to the very people who were responsible for creating this mess in the first place.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. I thank the Chair.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business until 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Alabama is recognized.

AIG BONUSES

Mr. SESSIONS. Mr. President, the bonuses for thousands of employees at AIG, that huge insurance company to which the Government, the taxpayers of the United States, have shoveled \$170 billion into to keep that company afloat, makes me recall an old maxim. The Sessions maxim I call it—announced about 20 years ago when I was a Federal prosecutor attempting to faithfully enforce complex Federal regulations. I stated this:

Oh, what a tangled web we create when first we start to regulate.

The more we proceed with policies whereby the Government owns 80 percent of the stock of a private insurance company—or any company—especially after we poured \$170 billion in to buy that stock—the more we are inevitably compelled to direct how the company operates, to the point of deciding whom their executives should be. We basically picked Mr. Liddy, the chief executive—plus what the company's salary scale should be or what aircraft it can or cannot have or where and what kind of corporate retreat they might have or whether they can pay bonuses.

The size of our investment—"investment" is an absurd term when used to describe the reckless, gargantuan commitment of our citizens' money to AIG puts us, the American people into the

insurance business. Not long ago, I had occasion to meet an official of a healthy insurance company. In jest, I asked him—it is not one of the biggest in the country, but it is a sizable company with broad reach. I asked him how he liked competing with a company supported by the deep pockets of the taxpayers. He replied it wasn't a joke—AIG was their top competitor in several economic or insurance markets. At bottom, we extract tax money from this businessman to keep afloat his reckless competitor. The size of this commitment cannot and should not be lost on us. The entire Alabama State budget—we are about one-fiftieth of the national population, a State well and frugally run by our Governor, Bob Riley—including the State education budget for all the schools and all the teachers—thousands of schools—amounts to about \$7 billion a year. So how big is the \$170 billion we put into AIG? It is big.

The entire Federal highway budget, for our interstate system and all the pork projects that get added to the highway bill, and the billions we send to the States for their highway programs, since they are on an 80/20, 90/10 matched basis, with the majority Federal Government money, is \$40 billion a year. So that \$170 billion is a lot of money.

But here we are, and similar to that unwise banker, we face the dilemma: Do we pour more good money in to revive this corpse in a desperate effort to recoup our improvident "investment"?

It is not an investment because no rational investor would ever have invested this kind of money in this company. The bullet was already in its heart. It was a dead duck. Only the Government would have put in the kind of money we put into it.

So the facts are now becoming clear about some of the problems that go along with being in the private insurance business. The New York Times and the Washington Post have produced certain facts, with front-page stories yesterday, which, having read them, caused me indignation and provoked me to write these remarks for which I ask you to forgive me for delivering. But it makes me feel a bit better.

What was the purpose of this \$170 billion? The Washington Post said yesterday that it was to "keep the company afloat."

Treasury Secretary Geithner has had a "difficult" conversation, according to the papers, with AIG's leader, Mr. Edward M. Liddy, about Mr. Liddy's plan to award \$165 million in bonuses. Mr. Liddy says he finds that awarding the bonuses is "distasteful."

I am glad to hear him say that. But then he says they are required under previous contracts entered into before he came to AIG or was put there by Secretary Paulson, President Bush's Secretary of the Treasury.

As an aside, let me recall that had this matter been handled in the regular

order such as other businesses in America get handled; that is, by appeal to the bankruptcy court for protection and reorganization under chapter 11, which doesn't shut down a company entirely but allows it to operate under bankruptcy protection, such as Delta Airlines, which is now performing very finely after saving itself through reorganization in bankruptcy, these bonus contracts would surely have been invalidated. For how could any Federal judge hold that executives of the "same business unit that brought the company to the brink of collapse last year," said the New York Times, be given bonuses.

This was a unit that did these reckless insurance derivatives that got them into this fix. So why should they be given a bonus?

This has certainly been an embarrassment to, I will say not so much to the company which has by contract apparently awarded these bonuses, but to Secretary Geithner and President Obama, who I understand himself, his very self, today called for not awarding these bonuses. The President of the United States is now deciding the bonus policy of what was once at least a private company in the United States.

At bottom, our tax money is being used to pay bonuses to reward those responsible for one of the most colossal and reckless errors in the history of world finance.

I think this whole situation is one small but very revealing reason why I think that our Government—and I certainly include the Bush administration which started the process—should not have allowed itself to be drawn into, in fact, punching this tar baby, getting itself more and more deeply embedded in a situation that it has no real ability or capability to manage.

You see, we now own about 80 percent of AIG. It is ours—yours and mine. Who then is to run AIG? Secretary Geithner? I like to call these high finance guys such as Mr. Geithner "masters of the universe." He is now returning from Europe where he upbraided the Governments of France and Germany for not spending more money and for not invading deeper into the private sector and for not going into debt even more deeply to, as he would say, I guess, stimulate the economy. He thinks they ought to spend more and borrow more, and they are spending more and borrowing a lot. He thinks they should be spending more and borrowing more and they should be like us.

I suspect running AIG must be a bit distracting even for our fine master of the universe because he has taken on the duty of advising not only the President and our Congress on how to fix the economy, but he is now advising our big government friends in Europe who are concerned about taking on more debt. The world is his parish, it seems. All the while, the proud people of the United States, inheritors of a great

tradition of free enterprise and limited Government, watched this spectacle unfold in total mortification.

The irony of these events, the historical dissonance of these acts of the United States pushing Europe further toward socialism, seems to be lost on our smiling and brilliant young Secretary.

We are in a very difficult period financially, and there is only a limited number of actions prudent governments can take to fix it. But still in campaign mode, our Secretary declares it is the fault of the previous administration, and he promises that the new President will lead us out of it with bold action.

Our Secretary of the Treasury is now calling Mr. Liddy at AIG and the paper said "demands"—that he apparently violate contracts requiring these bonuses. I submit it is not so much because of the financial significance of these bonuses, but because it is an embarrassment politically. You see, the populace is getting a bit aroused about this, and the focus of their anger might cease to fall on the last administration and begin to fall on Secretary Geithner and his boss.

The "bonus" dustup in one sense was theater, flim flummery, mountebankery, of course. Apparently in accordance with contracts and law, Mr. Liddy, while properly effecting his distaste for having to pay these bonuses, reluctantly paid them. I think they were paid yesterday. It caused much ado.

Mr. Liddy, the Government—it is not fair to call him a stooge. He was actually placed in this position by the Government to take over this unfortunate, disastrous company. However, he could not resist one parting shot to his overlords, noting that he could not run "the AIG businesses—which are now being operated principally on behalf of the American taxpayers—if employees believe their compensation is subject to continued and arbitrary adjustment by the U.S. Treasury."

He says right there he is operating this company on behalf of the American taxpayers, but he cannot do so if the Secretary of Treasury is going to tell him what kind of employment policy he should execute. That was in the paper yesterday. Apparently he wrote that letter Saturday.

Oh, what a tangled web we create. Will Secretary Geithner now set policy on insurance premiums? We own the company. Why can't the Government cut everybody's premium? Maybe we could order the premiums to be lowered. We own 80 percent. That would be a nice stimulus, wouldn't it, lower everybody's premiums? That is a stimulus we have not tried yet.

Probably not. He is too busy running the world and advising the French and the Germans on how to conduct their business and telling them they need to borrow more money.

What is going to happen now that the President and Mr. Geithner have de-

manded that the bonuses be stopped? This is pretty interesting now. What is going to happen? The people at AIG said they have to award the bonuses or they will be sued. Are they going to sue Secretary Geithner and the President if the bonuses do not get awarded?

I suggest it is plainly obvious that the folks who destroyed the financial soundness of AIG should not in any just world get a bonus. The only thing free they may deserve is a free lunch and a free room in the Bastille.

One thing we know: Much of this money has passed through AIG to the benefit of other corporate interests. But one thing we don't know completely is who they are, although today's paper had some of them listed. The biggest one getting \$12 billion plus, almost twice the total 1-year funding for the State of Alabama, was Goldman Sachs—Secretary Paulson's company he left to join the Government and be Secretary of the Treasury. They were the biggest "bailoutee" of this whole mess. We are going to find out more about that. But it doesn't look good to me. I don't like this whole process.

Things were decided in secret without any kind of hearing, so far as I can tell, without in-depth taking of testimony under oath, such as would happen in a bankruptcy court. Apparently people came in to Secretary Paulson's and later Secretary Geithner's office. They sat in and asked for \$50 billion, \$100 billion, \$80 billion, and they would discuss it a little bit and would come out and say: We will give you \$60 billion.

How does this happen? I don't know. I think we have a right as Americans to be concerned—very concerned—about the recklessness on Wall Street that caused a major financial catastrophe for the country. And we need to be worried that our attempt in panic, I think, to fix it may cause more problems for our historical heritage of free enterprise. A lot of people have begun to think about it. Although when I talk with people in my home State, they think about it. They say: What are you guys doing? My 88-year-old great-aunt, whose eyes are failing and she cannot read now, but she tries to keep up on things, she put her hand on my arm a few weeks ago and said: Buddy—she calls me "Buddy"—ya'll don't know what you're doing up there, do you? She was so sympathetic. That is what most American people think and are probably right.

I will say again, if your Government, our Government had acted properly, we would have allowed this company to go forward in a controlled, orderly process through reorganization under chapter 11, and we would not have this bonus embarrassment. Those folks would have been ordered to tell the truth in a well-equipped Federal court process, and there would have been no reason for the healthy parts of AIG to fail at all. They are being pulled down by the bad part. They could have then dealt with that toxic part of the company in

a more responsible way, in a more public way, in a bankruptcy court before a Federal judge who took testimony under oath and could put people in jail who deserve to go to jail.

I conclude with this. This spectacular spasm should be a vivid warning to the danger of arrogance by those would-be masters of the universe. You are not as smart as you think you are. Market forces ultimately control in the real world. Nothing comes from nothing. Debts must be paid.

Secretaries Paulson and Geithner remind me of a man in an airplane off the gulf coast throwing out dry ice in an attempt to prevent a hurricane. Do you remember that? Or of Mr. Ludd in England taking a sledgehammer to the weaving looms of England to stop the Industrial Revolution. I have seen the force of real hurricanes. We are now seeing the force of a financial hurricane, and a lot of people are getting hurt.

But there is good news, really there is. Hurricanes do pass. We will recover. The greatest danger, though, is that in this time of trouble, our Government, in a burst of overreach, will permanently damage the great heritage of free enterprise, ordered liberty, and limited Government that has made this the freest, most productive economy in the history of the world. Why would we want to be lecturing France on how to conduct an economy by telling them they should be a bigger, more oppressive government than they already are?

I will certainly meet my colleagues in a bipartisan effort to work to mitigate the economic and emotional pain we are now suffering. But if bipartisanship means acquiescing in the wildest of economic chimeras that we have recently followed, count me out. If it means changing the legal and economic order that, through ups and downs, has formed the moral basis of the American dream and served us so well, count me out.

Oh, we are told by our leaders—and Mr. Geithner said this at the Budget Committee hearing when I asked him a few days ago—we would never want to do that. We are committed to the American heritage of economic order, he said. But one writer noted that at a time of rapid erosion of a nation's classical values, the leaders are most vociferous in proclaiming their adherence to them.

Count me a skeptic. I am watching what is being done, not what is being said. For me and for those who love liberty, limited Government, and free enterprise, these actions that are occurring today are troubling and frightening indeed.

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAGAN) Without objection, it is so ordered.

Mr. BINGAMAN. What is the business before the Senate?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

REVOLUTIONARY WAR AND WAR OF 1812 BATTLEFIELD PROTECTION ACT—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 146, which the clerk will report.

The bill clerk read as follows:

A motion to proceed to H.R. 146, an act to amend the American Battlefield Protection Act of 1996 to establish a battlefield acquisition grant program for the acquisition and protection of nationally significant battlefields and associated sites of the Revolutionary War and the War of 1812, and for other purposes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Madam President, earlier this year, the Senate passed S. 22, which is the Omnibus Public Lands Management Act, a collection of over 160 bills primarily from the Committee on Energy and Natural Resources. After a week of debate, the Senate passed S. 22 by a vote of 73 to 21. That vote occurred on January 15.

Unfortunately, the House of Representatives has not yet passed S. 22. In an effort to facilitate consideration of this package of bills in the other body, it is my hope that we will be able to attach the omnibus lands package to another bill that has already passed the House of Representatives and send it back where, hopefully, it can be quickly approved.

As the first step of this process this afternoon, the Senate will vote on whether to invoke cloture on the motion to proceed to H.R. 146, which is the Revolutionary War and War of 1812 Battlefield Protection Act. If cloture is invoked on the motion to proceed to that bill, and once we are on that bill, it is my intention to offer a substitute amendment that will essentially substitute the text of S. 22 as passed by the Senate.

In addition to making a few technical corrections to the previously passed bill text, the amendment incorporates one change that was not in the underlying Senate bill when it was previously passed.

Following Senate passage of S. 22, I understand that some Members in the House of Representatives expressed concern that the portion of the bill pertaining to Wild and Scenic Rivers and National Trails and National Heritage Areas might somehow be construed to limit access for authorized hunting, fishing, and trapping activities. While I

am confident the Senate bill in no way restricts those activities, in an attempt to make this completely clear, the substitute amendment I will propose to offer, if we are able to do that, adds a provision in title V which covers Wild and Scenic Rivers and National Trails language designations. The new language states that:

Nothing in this title shall be construed as affecting access for recreational activities otherwise allowed by law or regulation, including hunting, fishing, or trapping.

Furthermore:

Nothing in this title shall be construed as affecting the authority, jurisdiction, or responsibility of the several States to manage, control or regulate fish and resident wildlife under State law or regulations, including the regulation of hunting, fishing, and trapping.

The amendment adds similar language in title VIII, which is the title designating National Heritage Areas. I would like to thank Senator MURKOWSKI, who is the ranking member on the Energy Committee with me in this Congress, and also Senator CRAPO, for their assistance with this provision.

With this clarification, I believe all interested parties now agree that the bill is clear that access for recreational hunting, fishing, and trapping is not affected by the river, trail, or heritage area designations.

As we noted before, the Omnibus Public Land Management Act is collectively one of the most significant conservation bills to be considered by the Senate in this past decade. It will result in the addition of over 2 million new acres of the National Wilderness Preservation System. It will designate three new units to the National Park System, and it enlarges the boundaries of several existing parks. It creates a new national monument and three new national conservation areas. It adds over 1,000 new miles to the National Wild and Scenic Rivers System and over 2,800 miles of new trails that will be part of the National Trails System. It establishes in law the Bureau of Land Management's National Landscape Conservation System that protects over 1.2 million acres of the Wyoming Range.

In addition, the Omnibus Public Land Management Act authorizes numerous land exchanges and conveyances to help local communities throughout the West. It includes the Forest Landscape Restoration Act, which will help undertake collaborative landscape-scale restoration projects to help reduce both future fire risk and fire-associated costs. It incorporates over 30 bills which will help address critical water resource needs at both the national and local level. It authorizes several studies to help communities better understand their local water supplies and the best way to meet future water needs, and it includes several authorizations for local and regional water projects that enhance water use efficiencies, address water infrastructure needs, and help provide sustainable water supplies to rural communities.